

HONOLULU ADVERTISER (HI)

11 October 1984

*Rewald's son spied, newsman told*

# Report: CIA agent linked to firm fired

By Walter Wright

A CIA agent linked to Ronald Rewald's defunct investment firm was fired by the agency, syndicated columnist Jack Anderson says in a column scheduled for publication this week, United Press International reported yesterday.

Anderson also said Rewald's son, James, told Anderson the CIA paid him to spy on students at Chaminade University and Brigham Young University-Hawaii.

Rewald has maintained his bankrupt investment firm, Bishop Baldwin Rewald Dillingham and Wong, was set up by the CIA. Rewald faces charges in the collapse of his firm, in which hundreds of investors lost \$22 million.

Anderson reported agent Richard Cavannaugh, who used the Rewald firm for cover, was fired after an

internal investigation found him guilty of "poor trade practices."

Several other CIA employees associated with Rewald were disciplined, Anderson said.

An official close to the case told The Advertiser yesterday that Cavannaugh had been placed on administrative leave earlier.

A second official said Cavannaugh did not violate any laws, and that the CIA often allows persons in his position to resign rather than be fired.

Another CIA official who dealt with the company, station chief Jack Rardin, was transferred by the agency to Florida following the company's collapse.

Rardin's predecessor, Jack Kindschi, joined Bishop Baldwin as a consultant following his retirement from the CIA, and therefore could not be subjected to any internal agency discipline.

In a second column, Anderson said James Rewald told him the CIA paid him \$100 per month to spy on students at Chaminade and BYU-H.

James Rewald said he was watching and taking photographs of six Chinese students at BYU-H for eight months in 1982, Anderson reported.

BYU-H President J. Elliot Cameron told The Advertiser yesterday that James Rewald attended the school for four months, from September to December 1982, as a beginning freshman. He said the first six students to attend the school from the People's Republic of China arrived that September and completed the school year in June. Cameron said there was no secret about the PRC students' presence, and that they had been written up in the school newspaper.

James Rewald's CIA mission included sending clippings of such articles to a CIA contact, Anderson said.

The Rev. Robert Roesch, a priest and president of Chaminade University, said he couldn't say if James Rewald attended the school.

James Rewald said Cavannaugh asked him during dinner one day if he wanted to spy on foreign students for the CIA, Anderson reported.

But Anderson noted the CIA contact described by James Rewald sounded odd. James Rewald said the man was an American of Chinese ancestry posing as a Japanese man under the name Tadao Suzuki.

It seemed a bit strange because it was "in the one state where such an ethnic masquerade would likely be spotted by the large Japanese-American population," Anderson said.